



DEPARTMENT CIRCULAR NO. _____

**PROVIDING THE IMPLEMENTATION READINESS FRAMEWORK FOR THE
RECALIBRATION OF THE FIFTH ROUND OF THE GREEN ENERGY AUCTION
(GEA-5) FOR OFFSHORE WIND, AND AUTHORIZING THE AMENDMENT OF
THE GEA-5 TERMS OF REFERENCE**

WHEREAS, Republic Act (RA) No. 7638, otherwise known as the “Department of Energy Act of 1992,” mandates the Department of Energy (DOE) to prepare, integrate, coordinate, supervise, and control all plans, programs, projects, and activities of the Government relative to energy exploration, development, utilization, distribution, and conservation;

WHEREAS, RA No. 9136, otherwise known as the “Electric Power Industry Reform Act of 2001” or “EPIRA,” declares it a policy of the State to ensure the quality, reliability, security, and affordability of electric power supply, and mandates the DOE to encourage private sector investments in the electricity sector and promote the development of indigenous and renewable energy resources;

WHEREAS, Section 37(h) of the EPIRA mandates the DOE to exercise supervision and control over all government activities relative to energy projects to ensure the quality, reliability, security, and affordability of the electric power supply and to attain the goals of energy self-reliance and security;

WHEREAS, RA No. 9513, otherwise known as the “Renewable Energy Act of 2008” or “RE Act,” declares it a policy of the State to increase the utilization of renewable energy resources and designates the DOE as the lead agency mandated to implement the provisions thereof;

WHEREAS, RA No. 11234, or the “Energy Virtual One-Stop Shop (EVOSS) Act,” commands the State to ensure transparency and accountability in the process of approving power generation, transmission, or distribution projects, and to deliver efficient and effective service to the public by streamlining and harmonizing regulatory procedures and timeframes;

WHEREAS, Department Circular No. DC2021-11-0036, titled “Providing the Revised Guidelines for the Green Energy Auction Program in the Philippines” or the “GEAP Guidelines,” established the implementation framework for the Green Energy Auction Program and provides that the Green Energy Auction shall be administered by the DOE through the Green Energy Auction Committee (GEAC);

WHEREAS, the GEAP Guidelines provide that the DOE shall issue the Terms of Reference (TOR) and Auction Round Procedures (ARP) for each auction round, and

that the GEAC shall evaluate Qualified Suppliers and declare Qualified Bidders in accordance with the applicable TOR and ARP;

WHEREAS, the Fifth Round of the Green Energy Auction Program (GEA-5) was developed as the first offshore wind (OSW)-focused auction round intended to support the commercial development of OSW projects in the Philippines;

WHEREAS, OSW development requires a coordinated and implementation-ready framework involving port availability and utilization, port time-of-use, environmental and permitting requirements, tenurial arrangements, grid and transmission readiness, and other infrastructure and regulatory requirements necessary to ensure project deliverability;

WHEREAS, the DOE issued GEA-5 Advisory No. 2 placing the activities and proceedings under GEA-5 on hold until further notice to allow the DOE, together with concerned government agencies and relevant entities, to recalibrate GEA-5 implementation in view of port readiness, permitting requirements, environmental and port-related cost implications, and possible global supply chain disruptions, among others;

WHEREAS, Executive Order No. 21, series of 2023 (EO No. 21, s. 2023), directs the adoption of a whole-of-government approach to streamline and expedite the approval process for the issuance of permits, licenses, and clearances for OSW projects, specifically mandating the elimination of unnecessary delays in every stage of an OSW development project through synchronized inter-agency action;

WHEREAS, pursuant to the directives of EO No. 21, s. 2023, the DOE issued Department Circular No. DC2023-05-0013 to operationalize the whole-of-government approach for OSW development, thereby requiring all permitting agencies to harmonize their respective rules, regulations, and approval processes, and to synchronize their permitting timelines;

WHEREAS, to ensure the operational viability and expeditious realization of these OSW projects, the aforementioned Circular formally instituted the guidelines for the pre-development and construction stages, which includes the mandatory conduct of critical road, port, and grid capacity assessments by developers;

WHEREAS, to properly exercise the mandates of the DOE under the EPIRA, the RE Act and EO No. 21, s. 2023, there is a need to harmonize the GEA-5 implementation, award, guarantee framework with the capacity of the country's port and other physical infrastructure and regulatory architecture to sustainably, economically and systematically absorb OSW projects under the GEAP;

WHEREAS, OSW development requires the construction, utilization, and operation of various onshore and nearshore support infrastructure, including but not limited to substations, converter stations, cable landing facilities, staging and marshalling areas, transport corridors, access roads, bridges, and other civil works, necessitating coordination with the Department of Public Works and Highways (DPWH) to establish

applicable engineering standards, permitting requirements, and infrastructure-readiness measures;

WHEREAS, the above harmonization requires an amendment or supplement to the GEA-5 TOR, Annexes and Related Issuances to synchronize project delivery exclusively with the validated implementation timelines and operational parameters of government-administered infrastructure, operationalize port queuing through sequential port usage and time-of-use sequencing, incorporate systemic cost-recovery and other fiscal mechanisms, and provide for award retention conditioned upon actual port use within designated windows, as balanced by equitable mitigations regarding Delivery Commencement Date (DCD) and the guarantee and security framework for the issuance of Certificates of Award (COAs);

NOW, THEREFORE, for and in consideration of the foregoing premises, the DOE hereby issues this Circular.

Section 1. Short Title. This Circular shall be known as the "The GEA-5 Systemic Sustainability and Implementation Readiness Framework."

Section 2. Purpose. This Circular is issued to:

- 2.1. Establish the policy framework for the recalibration of GEA-5 to ensure systemic economic sustainability by harmonizing the final subscription of the GEA-5 installation target with the validated throughput capacity of government-administered infrastructure;
- 2.2. Authorize the amendment and/or supplementation of the GEA-5 TOR, Annexes and Related Issuances, including its guarantee and security framework;
- 2.3. Operationalize the sequencing and delivery batching framework of OSW projects under GEA-5 through sequential port usage and time-of-use sequencing;
- 2.4. Provide coordination mechanisms with the Department of Environment and Natural Resources (DENR), Philippine Port Authority (PPA), DPWH, and other relevant entities for the establishment of rules, guidelines and other instruments incorporating validated fee schedules and tenurial instruments aimed at ensuring systemic economic sustainability and that government investments towards OSW implementation and utilization of marine and other areas therefor remain feasible;
- 2.5. Ensure that COAs and retention thereof by Winning Bidders are grounded in the synchronous alignment and mutual readiness of government-administered infrastructure and OSW projects, and establish rules for cancellation of COAs and drawing of guarantees due to inability to implement port time-of-use at the designated port-use window, as the latter may be defined in the GEA-5 TOR, Annexes and Related Issuances; and

- 2.6. Establish a succession loop and contingent queuing mechanism for port access and use to ensure that awarded project capacity is dynamically reallocated to next-ranked bidders in the event of a cancellation of COA, thereby maximizing systemic throughput and safeguarding the GEA-5 installation target against project stagnation.

Section 3. Scope. This Circular shall apply to:

- 3.1. GEA-5 OSW participants, Qualified Suppliers, Qualified Bidders, Potential Winning Bidders, and Winning Bidders, as the composition and implementation rights thereof may be modified through the succession loop and contingency queuing, and Next-Ranked Bidders, as may be applicable;
- 3.2. PPA, for matters involving PPA-administered ports, port readiness, sequential port usage, port queuing, port usage, port fees and charges, and port-user arrangements;
- 3.3. DENR and its concerned bureaus and regional offices, for matters involving tenurial authority, environmental compliance, fees, charges, bonds, monitoring funds, protected areas, foreshore, auxiliary/onshore areas, and mining-related constraints;
- 3.4. DPWH, for matters involving engineering standards, building regulations, transportation infrastructure, logistics corridors, civil works, construction requirements, road and bridge capacity assessments, and permitting frameworks applicable to offshore wind support infrastructure and related facilities;
- 3.5. Philippine National Oil Company (PNOC), for matters involving auxiliary/onshore areas and related user arrangements for offshore wind projects;
- 3.6. National Transmission Corporation (TransCo), Transmission Network Service Provider (TNSP), System Operator (SO), Market Operator (MO) and other transmission- and market-related entities, for matters involving grid and transmission readiness and systemic throughput;
- 3.7. Energy Regulatory Commission (ERC), for regulatory coordination, including matters affecting Green Energy Tariff (GET) implementation, Renewable Energy Payment Agreement (REPA), Feed-in-Tariff Allowance (FIT-All)/Green Energy Auction Allowance (GEA-All), grid-related regulatory approvals, and other relevant matters;
- 3.8. Government financial institutions and private financial and surety institutions, for matters involving the guarantee and security framework, including the issuance, maintenance, and drawing of Performance Bonds and other security instruments; and

- 3.9. All other persons or entities involved in the implementation of GEA-5 projects.

Section 4. The GEA-5 Recalibration Framework.

- 4.1. To ensure the long-term economic sustainability of the program and synchronize project installation with the verified absorptive capacity of government infrastructure, the DOE hereby establishes the GEA-5 Recalibration Framework. This Framework defines the minimum mandatory design parameters for the GEA-5 Supplemental TOR, its Annexes and Related Issuances, consisting of the following essential components:
- 4.1.1. Only PPA-administered ports shall be used to undertake assembly and installation of GEA-5 Winning Projects. Exactly one (1) Winning Bidder shall be permitted to utilize a specific PPA-administered port for the implementation of its OSW project at any given time and, in consideration of the GEA-5 Delivery Commencement Period, a maximum of two (2) Winning Bidders shall be permitted to utilize the same PPA-administered port consecutively;
- 4.1.2. A Winning Bidder shall utilize a designated PPA-administered port for a total duration not exceeding twenty-seven (27) consecutive months, which shall encompass all stages of component delivery, physical assembly, demobilization and clearance and withdrawal from the designated PPA-administered port;
- 4.1.3. Winning Bidders with the earliest DCD shall have priority of access to their identified PPA-administered port for the implementation of their respective OSW projects. The right of succeeding Winning Bidders in the DCD queue to use the same port shall be dependent upon the clearance of and withdrawal from the port by the Winning Bidder immediately preceding them in the queue;
- 4.1.4. Mathematical formulae for adjustments to project delivery dates, financial securities, port usage costs and escalating surcharges, and other matters contemplated by the GEA-5 Recalibration Framework;
- 4.1.5. GEA-5 COAs shall be subject to an additional condition, namely, the verified commencement of the physical assembly and installation of wind turbines at the designated PPA-administered port according to the timelines in the OSW Infrastructure Plan, subject to grace period as may be determined in the Supplemental TOR. Failing such commencement within the applicable period, the COA shall be cancelled, project implementation rights under the GEAP shall cease, and the vacated port shall be immediately

and automatically reassigned to the next-ranked bidders in the DCD queue;

- 4.1.6. Winning Bidders shall bear all financial costs associated with the occupancy of PPA-administered ports through standardized fees and escalating surcharges for delay in turnover to ensure that no implementation-driven costs are passed on to electricity consumers;
- 4.1.7. Extensions to the DCD of a Winning Bidder and the timelines in its OSW Infrastructure Plan shall be granted only if its GEA-5 project is delayed by documented bottlenecks in PPA-administered ports, grid connections, or the absence of necessary rules, regulations, guidelines, or schedules contemplated in Sections 7 through 12 of this Circular;

Section 5. Authority to Amend the GEA-5 TOR.

- 5.1. The GEAC, with the assistance of the GEA-Bids Evaluation and Awards Committee (GEA-BEAC) and/or the GEA-Technical Working Group (GEA-TWG), shall prepare and issue the GEA-5 Supplemental TOR, its Annexes, and Related Issuances for approval thereof by the Secretary.
- 5.2. The GEA-5 Supplemental TOR shall strictly operationalize the GEA-5 Recalibration Framework set forth in Section 4 and other relevant provisions of this Circular. To this end, the GEAC shall ensure that the GEA-5 Supplemental TOR includes the specific technical rules, mathematical formulae, and administrative protocols required to enforce the pillars of infrastructure-linked sequencing, performance-based vesting, and systemic cost-recovery.

Section 6. Resumption of GEA-5.

- 6.1. GEA-5 shall resume only upon completion by the DOE of a technical review of the OSW Infrastructure Plans against the confirmed readiness of government ports and the national power grid, and regulatory issuances and institutional arrangements. For this purpose and in accordance with the GEA-5 Recalibration Framework set forth herein, Qualified Bidders shall update or supplement their OSW Infrastructure Plans to:
 - 6.1.1. Reaffirm or designate a PPA-administered port, as applicable;
 - 6.1.2. Adjust their port time-of-use to align with the sequence for access to PPA-administered port and the 27-month occupancy limit mandated in Section 4.1.2 hereof;
 - 6.1.3. Update to reflect the baselines of port and grid readiness as determined through the technical check mentioned in Section 6.1 hereof; and

- 6.1.4. Adjust their proposed DCD based on the baselines of validated port and grid readiness and/or impact of the revised GEA-5 auction activity timelines.
- 6.2. Upon the effectivity of this Circular, the suspension of activities and proceedings of the GEAC, GEA-BEAC and the GEAC-TWG by virtue of GEA-5 Advisory No. 2 shall be lifted solely for purposes of undertaking the preparatory activities necessary for the resumption of GEA-5. These shall include coordination with government agencies or entities identified in Section 9 to 12 of this Circular to secure or confirm, as applicable, the rules and guidelines, committed delivery dates for port and grid infrastructure, schedules of applicable fees, processing timelines for permits, clearances and certifications, and institutional arrangements for the implementation of the GEA-5 Winning Projects.
- 6.3. The resumption of the GEA-5 activities shall be announced through an Advisory, to be issued upon satisfaction of following:
 - 6.3.1. The applicable rules, guidelines, committed infrastructure delivery dates, schedules, processing timelines, institutional arrangements contemplated under Section 6.1 hereof have been issued, made available, or confirmed;
 - 6.3.2. The GEA-5 Supplemental TOR, its Annexes and related issuances implementing the GEA-5 Recalibration Framework set forth in Section 4 of this Circular have been duly approved and posted on the DOE website; and
 - 6.3.3. The DOE, through the GEAC, has obtained all information and inputs necessary to conduct the technical review referred to in Section 6.1 of this Circular.
- 6.4. Upon issuance of the Advisory under Section 6.3 hereof, GEA-5 shall resume from the last completed auction activity, which is the Evaluation of the Rectified OSW Infrastructure Plans (Activity 12 of the Original Notice of Auction), subject to the submission of Supplemental OSW Infrastructure Plans as mandated in Section 6.1 of this Circular. For the avoidance of doubt, the Registration Period shall not be re-opened, and no new or revised Registration Documents shall be accepted.

Section 7. GEA-5 Submission Integrity and Continuity.

- 7.1. The update or supplementation of the OSW Infrastructure Plan mandated under Section 6.1 shall be strictly limited to those technical adjustments mentioned in Sections 6.1.1 through 6.1.4 of this Circular.
- 7.2. Any modification to the original wind resource assessments, project financial models, or core project footprints shall be strictly prohibited. The

GEA-5 Supplemental TOR, its Annexes and Related Issuances and agreements with concerned government agencies or entities shall ensure that the establishment of the sequence for access to shared infrastructure is conducted without altering the fundamental technical and financial assumptions upon which OSW developers have qualified for participation.

Section 8. Port Implementation and Usage Protocols.

- 8.1. To operationalize the GEA-5 Recalibration Framework, the Supplemental TOR, its Annexes and Related Issuances and institutional arrangements/agreements shall provide and/or complement the administrative rules for the establishment of the sequence for access to shared port and other infrastructure.
- 8.2. To optimize the delivery and prevent undue delay or stranding of any GEA-5 projects, the Supplemental TOR, its Annexes and Related Issuances and institutional arrangements/agreements shall establish rules for the dynamic reallocation of PPA-administered port access windows.

Section 9. Port Infrastructure Readiness and Alignment.

- 9.1. The DOE and the PPA, through institutional arrangements and agreements, shall verify the capacity of authorized port integration areas to handle and process OSW components. This verification shall serve as the non-negotiable physical baseline for the verification of project readiness and implementation synchronization mandated in Section 4.1.8 of this Circular.
- 9.2. To this end, the Supplemental TOR, its Annexes and Related Issuances and institutional arrangements and agreements shall:
 - 9.2.1. Integrate the definitive schedules for PPA-administered port readiness and commission dates for port operations, which shall serve as the administrative basis to ensure that the delivery of OSW project components to the port is synchronized with the actual availability of the latter; and
 - 9.2.2. Establish the schedule of standardized fees and escalating surcharges for port occupancy.
- 9.3. These port infrastructure and fiscal parameters shall be posted in the DOE website prior to the resumption of auction activities to ensure transparency.

Section 10. Grid Deliverability and Transmission Readiness.

- 10.1. To safeguard the GEA-5 installation target and manage consumer cost implications, the Supplemental TOR, its Annexes and Related Issuances and institutional arrangements and agreements shall ensure that project

awards and the retention thereof are matched with verified grid deliverability and connection point readiness.

- 10.2. Through directives to and/or institutional arrangements and agreements with TransCo, the TNSP, and the SO, as may be consistent with the EPIRA, EVOSS Act and EO No. 21, s. 2023, the DOE shall establish the definitive grid-readiness baseline for each project area, which shall serve as the evidentiary basis for the verification of project readiness contemplated in Section 6.1 hereof and implementation synchronization mandated under this Circular.
- 10.3. The GEA-5 Supplemental TOR, its Annexes and Related Issuances and institutional arrangements and agreements shall:
 - 10.3.1. Ensure that implementation priority within the sequence for access to shared infrastructure is determined by verified grid deliverability and connection point readiness; and
 - 10.3.2. Establish the definitive grid-related fiscal parameters, transmission-specific charges, and security requirements.
- 10.4. The verified grid deliverability and connection point readiness and fiscal and other parameters shall be posted on the DOE's website prior to the resumption of auction activities to ensure transparency.

Section 11. Environmental and Tenorial Synchronization.

- 11.1. To seamlessly implement GEA-5 projects, the institutional arrangements and agreements of the DOE with the DENR shall be strengthened, as may be consistent with the EPIRA, EVOSS Act, and EO No. 21, s. 2023, so that the issuance of tenorial instruments and environmental clearances is synchronized with the sequence for access to shared infrastructure. Such arrangements and agreements shall encompass the establishment of a standardized compliance checklist to serve as the evidentiary basis for the verification of project readiness mentioned in Section 6.1 hereof and implementation of synchronization mandated under this Circular.
- 11.2. To ensure that Winning Bidders possess all necessary surface and seabed rights prior to or at the scheduled delivery of OSW project components to the port, the GEA-5 Supplemental TOR, its Annexes and Related Issuances and institutional arrangements and agreements shall provide and/or complement:
 - 11.2.1. Regulatory, environmental and tenorial compliance framework for all project components, including nearshore areas, landfalls, substations, and staging areas; and

- 11.2.2. The schedule of applicable environmental fees, monitoring funds, and financial assurance requirements, as may be issued by the DENR.
- 11.3. The regulatory, environmental and tenorial compliance framework and schedule of fees, funds and other assurance requirements shall be posted in the DOE website prior to resumption of auction activities to ensure transparency.

Section 12. Structural Safety, Building Standards, Civil Works Permits Alignment.

- 12.1. To facilitate the timely implementation of GEA-5 projects and ensure the readiness of necessary onshore and nearshore support infrastructure, the DOE shall strengthen coordination and institutional arrangements with the DPWH, consistent with the EPIRA, EVOSS Act, EO No. 21, s. 2023, and other applicable laws, rules, and regulations;
- 12.2. Such institutional arrangements shall support the formulation, harmonization, and publication of standards, guidelines, technical requirements, and permitting frameworks applicable to OSW support infrastructure and associated civil works necessary for the implementation of GEA-5 Winning Projects;
- 12.3. To this end, the GEA-5 Supplemental TOR, its Annexes and Related Issuances and the institutional arrangements and agreements contemplated under this Section shall provide and/or complement:
 - a. Technical standards, engineering specifications, and design requirements applicable to OSW wind support infrastructure, including substations, converter stations, cable landing points, staging areas, marshalling facilities, access roads, bridges, transport corridors, and other ancillary civil works;
 - b. Building, construction, and permitting frameworks applicable to OSW support infrastructure and related facilities, including coordination mechanisms with local government units and Building Officials, as may be necessary;
 - c. Identification and assessment of critical transportation and logistics corridors necessary for the movement, delivery, storage, installation, and assembly of offshore wind components, including oversized and heavy-load cargo;
 - d. Technical guidance on infrastructure constraints that may affect implementation, including road capacity, bridge loading limits, transport clearances, and other engineering considerations;

- e. Administrative milestones, certifications, approvals, clearances, and documentary requirements which may serve as part of the evidentiary basis for the verification of project readiness referred to in Section 6.1 of this Circular and implementation synchronization mandated herein; and
 - f. Processing timelines, standards, guidelines, and other requirements necessary to facilitate the timely implementation of OSW support infrastructure.
- 12.4. The applicable standards, requirements, permitting procedures, processing timelines, and related guidance developed pursuant to this Section shall be posted in the DOE website prior to the resumption of auction activities to ensure transparency and facilitate compliance by GEA-5 participants.

Section 13. Auxiliary and Onshore Area and Other Arrangements.

- 13.1. To seamlessly implement GEA-5 projects, the institutional arrangements and agreements of the DOE with the PNOC shall be strengthened, as may be consistent with the EPIRA, EVOSS Act and EO 21, s. 2023, to ensure that the acquisition of possessory rights for auxiliary and onshore and other areas, including landfalls, cable landing points, substations, and staging areas, is synchronized with the sequence for access to shared infrastructure. Such arrangements and agreements shall encompass the identification of specific administrative milestones to serve as the evidentiary basis for the verification of project readiness mentioned in Section 6.1 hereof and implementation synchronization mandated under this Circular.
- 13.2. To ensure that Winning Bidders possess all necessary possessory rights for auxiliary and onshore and other areas prior to or at the scheduled delivery of offshore wind project components to the port, the GEA-5 Supplemental TOR, its Annexes and Related Issuances and institutional arrangements and agreements shall provide and/or complement;
- 13.2.1. Use rights that commence synchronously with the scheduled physical assembly and installation to minimize the developer's cost of carry during the queuing process;
 - 13.2.2. That failure to satisfy auxiliary and onshore area milestones within the designated timelines shall be deemed a delay in achieving implementation readiness;
 - 13.2.3. A schedule of administrative fees and user charges, as may be agreed upon by the PNOC and Winning Bidders; and
 - 13.2.4. The scope of auxiliary and onshore and other areas and the schedule of fees and charges shall be posted in the DOE's website prior to the resumption of auction activities to ensure transparency.

Section 14. Fiscal Matters and Governance.

- 14.1. To safeguard consumer welfare and manage the impact of the GET of GEA-5 projects, the DOE hereby establishes a regime of fiscal discipline. To this end, every Winning Bidder utilizing a PPA-administered port shall exclusively bear the economic burden resulting from delays attributed to the Winning Bidder or the inefficient occupancy of port infrastructure.
- 14.2. Consistent with the GEA-5 Recalibration Framework, the Supplemental TOR, its Annexes and Related Issuances and institutional arrangements and agreements shall establish and/or complement progressively escalating surcharges and financial penalties for unauthorized port occupancy or overstay, including the procedures necessary to implement the same with transparency and fairness, in accordance with applicable laws, rules and regulations.
- 14.3. No surcharge or penalty may be utilized as an offset for the Winning Bidder's other fiscal obligations.
- 14.4. The demand, payment, collection, remittance of monies under this Section shall be in accordance with applicable government accounting rules and manuals.

Section 15. Separability Clause.

If any provision of this Circular is declared invalid or unconstitutional, the other provisions not affected thereby shall remain valid and subsisting.

Section 16. Repealing Clause.

All previous issuances, rules, regulations, or parts thereof inconsistent with this Circular are hereby repealed, amended, or modified accordingly.

Section 17. Effectivity.

This Circular shall take effect fifteen (15) days following its publication in at least two (2) newspapers of general circulation and filing with the University of the Philippines Law Center – Office of the National Administrative Register.

Issued this ____ day of _____, 2026 at the DOE, Energy Center, Rizal Drive corner 34th Street, Bonifacio Global City, Taguig City, Metro Manila.

SHARON S. GARIN
Secretary